

Goal 3: Minimize Governmental Constraints In The Development, Improvement, And Maintenance Of Housing Without Compromising The Quality Of Governmental Review Or The Adequacy Of Consumer Protection

QUANTIFIED OBJECTIVE: Reduction of Governmental Constraints

Process 2000 shall be 80 percent operational by January 2000.

To take no more than eight working days to process 90 percent of ministerial permit applications for single-family units and to take no more than 26 working days to process 90 percent of ministerial permit applications for multiple-family units. Such processing shall include the time from initial application to issuance of a correction notice.

CHANGES TO QUANTIFIED OBJECTIVE FROM PREVIOUS HOUSING ELEMENT

The previous Housing Element included an objective to complete and adopt an update and simplification of the Zoning Code by the end of FY 1996. This objective was accomplished in December 1997 with the adoption of the Zoning Code Update (formally known as the Land Development Code). The Coastal Commission subsequently certified the Land Development Code in 1999. Therefore, this objective has been deleted from this Update.

To reflect the implementation of Process 2000 to date, the City's redesign and streamlining of its permit approval process, a new objective has been added to have Process 2000 eighty percent operational by January 2000.

The objective in the previous Housing Element on processing of ministerial permits has been retained.

POLICIES:

1. The Planning Department shall propose zoning and permit processing changes to further reduce housing costs and average permit processing times.
2. The City shall consider appropriate organizational changes to enable development permits to be processed more expeditiously in a coordinated manner.
3. The Development Services Department shall annually monitor average processing times for discretionary development permits.
4. The Development Services Department shall design its discretionary permit processing system to promote coordinated review among affected City departments, substantially reduce permit processing times, and create more certainty for permit applicants.

5. The Development Services Department shall stress the importance of flexibility in the application and interpretation of regulations for building and housing permits to determine the best and most economical approaches to providing affordable housing, while not compromising life safety and the purpose and intent of the City's design regulations.
6. The City shall reexamine its public facility standards to determine how they can be modified to facilitate more affordable housing.
7. The City shall consider ways of reducing the burden of impact fees on the development of affordable housing and mixed-use projects.
8. The City shall implement provisions of state law which exempt certain affordable housing projects from CEQA if specified criteria are met.
9. The City shall educate participants in the community planning process on affordable housing objectives, policies and programs.

PROGRAMS:

1. Process 2000 - The City is redesigning its permit processing system to achieve several objectives: proper coordination among various City departments who have different roles in processing permits; reducing processing time and costs for applicants; and creating more predictability of outcomes for applicants. The system will utilize a variety of technologies to link automated mapping, project tracking and informational resources with improved project accountability and plan check coordination.

As of November 1998, the City's Development Services Department had implemented components of the redesigned permit approval process citywide. By January 2000 the system was in fact operational in 80 percent of the City.

The system has several key features, including:

- a. Overall Project Orientation - Emphasis is placed on processing the entire project as a whole rather than multiple individual permits associated with a single project.
- b. Coordinated preliminary reviews - All projects are able to obtain an early determination of all permit approvals required in order to obtain the necessary approvals. Confirmation of requirements and approvals are available at key points throughout the process to provide predictability for the applicant.
- c. Project Manager - A single City staff project manager is designated who has lead responsibility for processing a project from initial application to approval of all permits associated with the project.

- d. Systematic approach to processing - There is a consolidated approach at key processing points for projects, including single points of entry, coordinated preliminary review, and uniform project intake procedures and project management procedures.
- e. Reliability - The City can provide documentation of discussions and commitments throughout the system at the applicant's request.
- f. Team Reviewers - Project review occurs through an integrated, multi-disciplinary team to provide a comprehensive and consolidated review process under one project manager.
- g. Performance standards and service levels - A common project tracking system has been designed for all departments with management reports and performance standards to assure consistent performance.

The new system was tested through a pilot program labeled Process 2000. A variety of project types were included in the pilot program in order to test as wide a range of project types as possible. Implementation of Process 2000 began on a citywide basis in July 1997.

Additionally, in January 1993, a new five-track system of development permit approvals became effective. This system consolidated 23 previous tracks into five. All land use permits are classified into one of the tracks which range from ministerial staff reviews to discretionary reviews which require City Council approval.

- 2. Development Permit Tracking System - As part of the Process 2000 Program, the Development Services Department shall develop and implement a development permit tracking system to monitor permit processing from initial application until permit issuance. The tracking system will determine processing time for the various types of permits which the Development Services Department administers and will also assist in identifying ways of accelerating processing time.
- 3. Land Development Code Changes for Housing Affordability - The Planning Department and Development Services Department will study the feasibility of the following changes to the Land Development Code. These changes have been identified by the development community and housing advocates as measures which could facilitate housing production and affordability. Any amendments to the Land Development Code would follow an inclusive procedure for noticed public discussion involving community-planning groups, followed by Planning Commission and City Council hearings.
 - a. Modify the current threshold requirement triggering discretionary review for lot consolidation and incorporate design standards into the ministerial review process to

assure quality development. The City Council reduced this threshold requirement during consideration of the Land Development Code and design standards were incorporated into the discretionary review process to assure quality design of infill development. This change would create similar standards for quality infill development which could be administered ministerially.

- b. Use on-street parking to meet overall parking standards where appropriate conditions exist. On-street parking can currently be counted through the discretionary review process under specified conditions. This change would define prescribed circumstances, taking into account localized conditions, under which on-street parking could be counted toward parking standards through the ministerial review process.
- c. Modify setback requirements and allowable Floor Area Ratio in small lot and townhouse zones in order to facilitate the zones' application. The Small Lot and Townhouse zones are new zones created in the Land Development Code. Applicants requesting to use these zones have indicated that they might be utilized more if minor adjustments were made to the setback and allowable FAR provisions.
- d. Identify locations/zones where mixed-use development could be permitted by right, and incorporate appropriate design standards to assure quality development. Currently, mixed-use development occurs under narrowly defined circumstances. This change would identify circumstances with appropriate design standards where mixed-use development could be permitted by right. This change would also implement a primary objective of the City of Villages strategy which emphasizes mixed-use development in village locations.
- e. Expand the use of citywide multiple dwelling unit zones in Planned District Ordinance areas, incorporating modifications where necessary to fit unique circumstances. Several planned district ordinances require a discretionary permit for multi-family development. As individual planned districts are updated, the citywide multiple unit zones would be incorporated into them. These zones permit multiple unit development ministerially, with appropriate design standards built in.
- f. Allow Planned Development Permits in all Planned District Ordinances in order to enhance flexibility with respect to regulatory requirements. Several planned district ordinances do not allow deviations without variance findings.
- g. Revise the Companion Unit regulations to reduce barriers to development of these units. In November 2000, the Land Use and Housing Committee directed the Planning Department to propose revisions to these regulations cost effective means of creating affordable housing units. (see Program #4)

- h. Make greater use of Master Environmental Impact Reports for major planning projects such as Redevelopment Plans and Specific Plans which will form the basis for future decision-making. Master EIR's might also be used to facilitate the environmental review process for development in village locations. (see Program #7).
 - i. Review Process levels for residential projects to determine if a reduction in decision-making level is feasible. This change would involve reviewing individual discretionary permits required in planned districts and in the Land Development Code to determine if their decision-making level might be reduced. For example, it might be possible to reduce some site development permits from a Process four to a Process three level review.
4. Companion Unit Ordinance - In accordance with State law, the City has adopted an ordinance to authorize companion units under certain conditions. To date, only a handful of companion units have received permits.

The current regulation requires a Process Three Conditional Use Permit and prohibits the issuance of permits for companion units whenever the citywide average rental vacancy rate exceeds 5 percent and completely prohibits them in the Coastal Zone. Currently, the vacancy rate is below 5 percent and the City will continue accepting companion unit applications, as long as the vacancy rate remains below 5 percent.

Other provisions restrict companion units to no more than 5 percent of the total detached primary dwelling units in any particular community planning area and require at least one of the occupants to be related to the owner or a senior citizen or a person with a disability.

These and other impediments in the ordinance have made it difficult to actually provide companion units. However, the City Council Land Use and Housing Committee have directed the Planning Department to propose changes to the Companion Unit regulations to remove these provisions in order to make the Companion Unit regulations a more usable tool for providing affordable housing. In developing the proposed changes, the Planning Department will consider the potential impacts of companion units on public facilities, parking and other community issues.

5. Re-examination of Public Facility Standards - The Engineering and Capital Projects Department have updated the City's Street Design Manual which specifies standards for streets and sidewalks. The manual allows for adjustments to the standards to implement some transit-oriented development principles. Additional modifications may be considered to further facilitate implementation of Transit Oriented Development principles.

Additionally, as part of the Strategic Framework Element work program, the Planning Department will re-evaluate the appropriateness of other public facilities' standards beyond streets, roads and sidewalks. Particular attention will be given to standards applicable to the older developed communities of San Diego in recognition that it is frequently

impossible for these communities to meet the current standards for park and recreation facilities, libraries and police and fire in the same way they are met in developing communities.

6. Impact Fee Re-evaluation - The program is linked to the reexamination of public facility standards. The Strategic Framework Element will also review the current impact fee system for financing public improvements. While it is unlikely that the impact fee system will be abolished, possible changes in the basis for setting the fees will be studied in order to reduce the cost burden on multi-family housing in particular. Additional funding sources will be studied as well and the fiscal relationship of state and local funding sources will be examined as well.
7. Master Environmental Impact Reports - Utilize Master EIRs, as authorized under CEQA for Redevelopment and Specific Plans with appropriate mitigation measures clearly spelled out in the EIR. The expanded use of Master EIRs could enable environmental reviews on individual projects to be completed more expeditiously.
8. Exemptions of Affordable Housing From Environmental Review - The Development Services Department shall implement the provisions of Section 21080.14 of the Public Resource Code which exempts affordable housing projects of 100 units or less from CEQA if certain criteria are met.
9. Community Planning Group Training Program - The Planning Department shall incorporate in its annual training program for members of community planning groups more emphasis on the need for affordable housing, its relationship to economic growth and other planning objectives, and their roles in helping to address the City's affordable housing needs.

IMPLEMENTATION CHARTS: Reduction of Government Constraints

Program	Policy	5-Year Target	Responsible Agency	Timing	Financing	Primary Beneficiary
Process 2000	<p>The City shall consider appropriate organizational changes to enable development permits to be processed more expeditiously in a coordinated manner.</p> <p>Average processing times for discretionary development permits shall be monitored annually.</p> <p>The Development Services Department shall design its discretionary permit processing system to promote coordinated review among affected city departments, reduce processing times, and create more certainty for applicants.</p> <p>The importance of flexibility shall be stressed by departments in the application and the interpretation of regulations to determine the best and most economical approaches to providing affordable housing, while not compromising life safety and the purpose and intent of the City's design regulations.</p>	80% Citywide implementation January 2000	Development Services Dept	Jan 2000	General Fund	Permit applicants including developers of Affordable Housing
Development Permit Tracking System	The Development Services Department shall annually monitor its average processing times for discretionary development permits.	January 2000	Development Services Dept	By Jan 2000	Permit Applicants	Permit applicants
Land Development Code Changes for Housing	The Planning Department shall propose zoning and permit processing changes to further reduce housing	Create process to study changes by July, 2002	Planning Dept Development Services Dept	By July 2002	General Fund	Permit applicants

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Program	Policy	5-Year Target	Responsible Agency	Timing	Financing	Primary Beneficiary
Affordability	costs and average permit processing times.	Propose ordinances for changes found feasible by July, 2003	Planning Dept Development Services Dept	By July 2003	General Fund	Permit applicants
Companion Unit Ordinance		Propose ordinance by FY 2002	Planning Department	By FY 2002	General Fund	Elderly, Primarily
Re-examination of Public Facility Standards	The City shall re-examine its public facility standards to determine if they can be modified to facilitate more affordable housing.	Updated Street Design Standards Manual, Facilitate Transit Oriented Development Reevaluate stds. for other public facilities, particularly as applicable to older communities	Planning Dept Engineering & Capital Fac Dept Park & Recreation Planning Dept	By FY 2002 By FY 2002	General Fund	Developers Higher Den Housing
Impact Fee Re-Evaluation	The City shall consider ways of reducing the burden of impact fees on the development of affordable housing and mixed land use projects.	Linked to above reevaluation of facility standards, and to preparation of Strategic Framework Element of the city's general plan	Planning Dept	By FY 2001	General Fund	Developers of Affordab Housing
Exemptions of Affordable Housing from Environmental Review	The City shall implement provisions of state law which exempt certain affordable housing projects from CEQA if specified criteria are met.	ongoing	Development Services Dept	FY 99- FY 2004	General Fund	Developers of Affordab Housing
Community Planning Group Training Program	The City shall educate participants in the community planning process on affordable housing objectives.	5 training programs	Planning Dept	1 training program annually	General Fund	Members o Community Planning Groups

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